

THE CONVERSATION

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Inside Sweden's housing crisis: when renovation means eviction

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There is very little chance that you'll get one of those in Sweden today. Hermann/pixabay

The housing shortage in Sweden is now so bad that some are currently contemplating using shipping containers for apartments. Nine out of ten Swedes live in a municipality facing houses shortages.

According to a recent study, in the capital city of Stockholm, more than half a million people were on a waiting list for a flat and it took on average eleven years to get one. Recent immigrants, from asylum seekers to tech professionals, have been particularly affected.

Since the 1960s, Sweden has been associated with social security, equality, prosperity, a universal housing model, strong tenants' rights and high housing standards. So how can we explain today's dramatic situation?

From boom to bust

The long rule of social democracy, which promoted equal rights and decent working conditions, resulted in extraordinarily high standards of living in the country. After the second world war, Swedish industry was booming; economic prosperity grew along with consumer spending and contributed to the significant improvement of housing conditions.

Between 1965 and 1975 more than a million homes were built in the country as part of the Million Programme, which saw Swedes receive newly constructed rental housing, which was (and still is) the most common form of tenure in the country.

Author



Dominika Polanska

Associate Professor of Sociology, Uppsala University

But the past few decades have been characterised by increasing privatisation, resulting in a decreasing amount of rental housing in the country from 95% in the 1950s to 59% in 2015.

In the 1990s, reforms were introduced which resulted in successive privatisation of public housing, low construction rates and the gradual withdrawal of state subsidies from the construction market.

In 2011, new legislation came through, requiring public housing companies to operate according to the rules of business, in other words, to generate profit.

As a result, dwellings in the public housing stock were either sold to tenants or private companies, to generate profit and, at least in theory, to build new housing, and get rid of the problem of worsening stocks.

Six years after the introduction of the new law, prices and rents of dwellings have increased dramatically and the affordable housing crisis in cities is deepening.

Renoviction

Allowing for privatisation opened a door for companies to profit from renters.

Conditions are worsening in more than 650,000 dwellings built in the 1960s and 1970s has been debated in Sweden for a few years now.

While rents cannot be raised without a significant reason in Sweden – they are collectively negotiated – it is still possible for landlords to use renovations as an excuse for considerable increases.

As the rents can only be raised if the renovation means increased living conditions (for example bathroom and kitchen renovation), and not regular maintenance work, landlords use comprehensive renovations as a tactic to make profit.

Tenants' approval is needed for comprehensive renovations and disputes are sometimes settled in court. In reality, landlords tend to win in nine cases out of ten.



Can this be the future of Swedish housing? Daniel Ramirez/Wikimedia Commons, CC BY-ND

Doing renovations, in turn, results in displacement of residents who no longer can afford to stay. According to a newly published study from Gothenburg, a rent rise of 50% after renovations resulted in the displacement of at least 30% of tenants.

The situation of public and private tenants who cannot afford to pay high rents as a result of renovations is dramatic.

According to calculations by the National Board of Housing, Building and Planning, displaced tenants tend to move to poorer areas, contributing to the deepening of segregation in Sweden.

Ikea City

The dramatic effects of this policy can be observed in district of Hagsätra, in southern Stockholm. This district, constructed in the 1950s and 1960s, currently houses almost 10,000 residents.

Right now, the only municipal buildings in the neighbourhood are a primary school building, a subway station and a sports field – the rest has been purchased by private investors.

In 2012, 1,200 dwellings were sold to Ikano Bostad, owned by the same company as IKEA, which became the largest property owner in the area. Hagsätra is called the “City of Ikea” by some, since the first things you see when exiting the subway are the waving flags of Ikano.



Ikea city. Holger Ellgaard, CC BY-SA

The privatisation of dwellings in Hagsätra was met with protest from tenants in the area, who have mobilised against Ikano Bostad. They wanted to remain tenants of public housing and protested against Ikano's proposed renovation program. Rents are slated to rise by 63% in the district; it's not known how many tenants will be displaced.

Some tenants – with the help of urban activists - are trying to resist what researchers and activists have termed “renoviction” in Hagsätra.

In 2016, an empty school building in Hagsätra was occupied and opened to serve as a local meeting space for the residents. The fact that the school building was occupied made clear that tenants lacked space to meet and mobilise.

Local politicians have on the basis of the case of Hagsätra declared that it is necessary to improve the legal protection of tenants in the country.

In 2017 a report commissioned by the Swedish government will be published on the improvement of the rights of tenants facing renovation. Until then, tenants hold their breath, wait and improvise.

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Tenants meeting in an occupied school building, July 2016. D Polanska, CC BY